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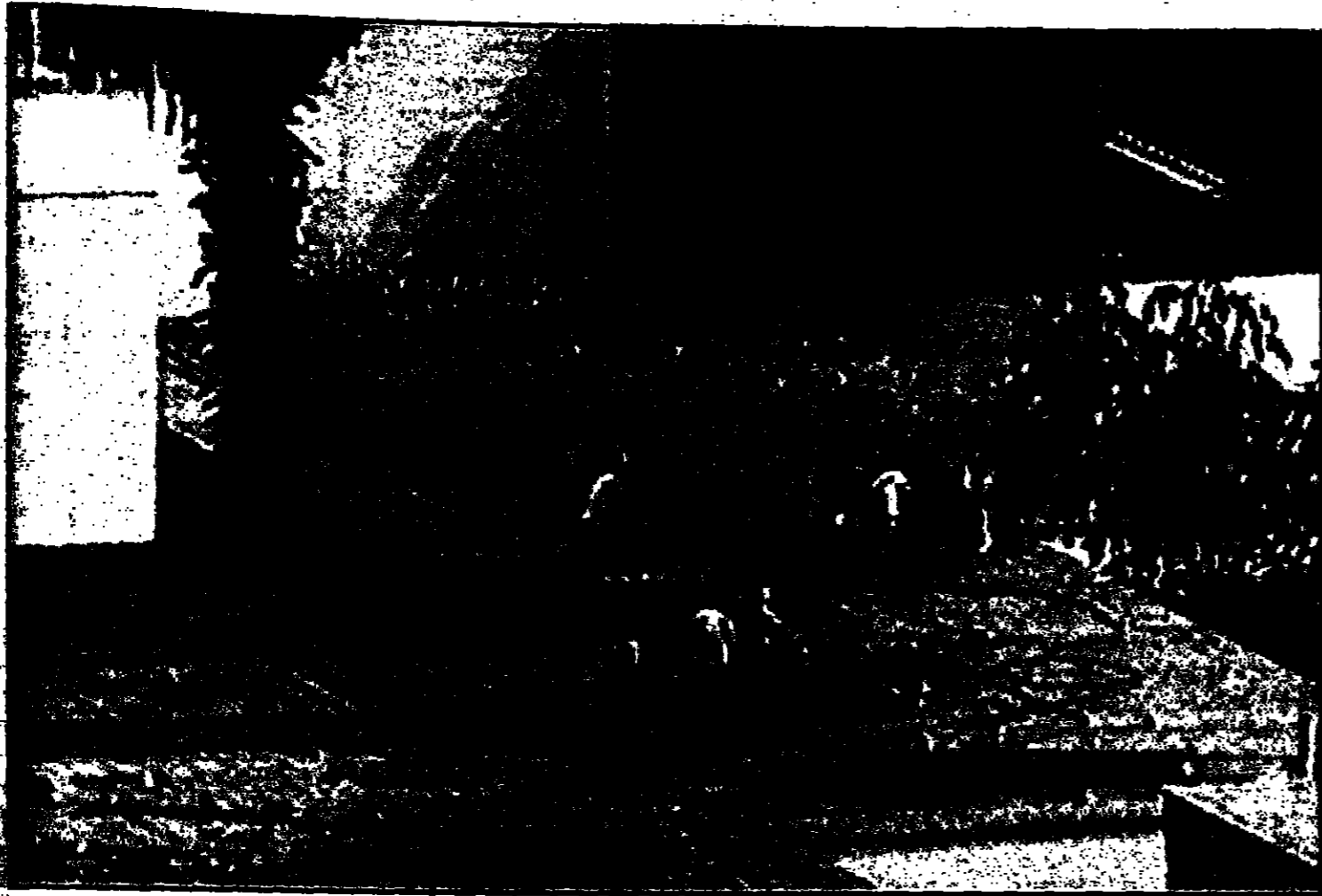
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Police take up positions atop one of the buildings in the compound of the Japanese ambassador's residence in Lima, Peru, where hundreds of people were taken hostage by rebels yesterday. (AP)

Rebels threaten to kill Peru hostages

LIMA, Peru (AP) — Rebels who took hundreds of diplomats, business leaders and other top officials hostage at a glittering reception threatened late last night to kill the captives one by one, beginning in the afternoon with Peru's foreign minister.

"If in 20 minutes we do not have an answer (to demands) we will begin to take our first victim and the first victim will be Foreign Minister (Francisco) Tudela," the rebel commander told Peru's Channel Two television by telephone. "We can't wait any longer," Comandante Emilio Huertas said in an emotionless voice.

The threat was made at 19:00 Israel time, making the deadline 19:20. Nearly two hours later, there was no sign of any shootings — but four more hostages had been set free.

Huertas also demanded that President Alberto

Fujimori speak with the two dozen guerrillas from the Tupac Amaru movement who sneaked into the Japanese ambassador's residence by posing as waiters, carrying hors d'oeuvres and bottles of champagne.

They attacked as the party began Tuesday night, setting off explosions and exchanging gunfire with police for almost an hour. Two hostages and a rebel were reported wounded. "We want to speak with Fujimori. We want the freedom of 300 fighters who are in prison," he said. He said his men had mined the grounds around the ambassador's residence.

The rebels said they were holding 490 people — a figure higher than reported by officials — after releasing about 170 people early in the standoff.

Most of those freed were women, including

Fujimori's mother and sister, although four men were released yesterday afternoon. It wasn't clear whether they were included in the count of 490.

Among the hostages were at least a dozen ambassadors from countries including Japan, Canada, Brazil, Cuba, South Korea, Germany, Austria and Venezuela. Peru's foreign and agriculture ministers, six legislators, the president of the Supreme Court, several Americans including four aid workers, and dozens of Japanese business people also were inside. US Ambassador Dennis Jett left the reception about a half-hour before the assault.

In Washington, the State Department condemned the hostage-taking and called for the arrest and prosecution of the perpetrators.

(Continued on Page 9)

Lack of trust, not details, block Hebron deal

DAVID MAKOVSKY

A HEBRON pullback deal is being blocked due to the lack of trust between Prime Minister Binyamin Netanyahu and Palestinian Authority Chairman Yasser Arafat regarding Hebron's aftermath, and it has little to do with the remaining particulars of the deal itself, a US official said last night.

Meanwhile, Netanyahu's communication director David Bar-Ilan indicated last night that he does not foresee any expansion of settlements that would enlarge the existing perimeter around any individual settlement and, therefore, Israel should not be accused of trying to add land to preempt negotiations on the final disposition of the territories.

He told *The Jerusalem Post*, "When we say settlement expansion, this is being misunderstood. I don't see us adding any more land mass to existing settlements in the territories. I hope we could add more families, but they would be living in the same amount of land." He said Palestinians need not be worried.

It should be noted Israel has often geographically defined settlements as including those areas which has already been approved for zoning by the authorities in years past, but remain undeveloped.

The US official indicated a summit between Netanyahu and Arafat would probably not be fruitful unless several conceptual issues of trust are resolved first.

Specifically, he said, "First, Arafat fears that once there is a Hebron deal, Netanyahu will embark upon settlement expansion. This would put the US in a

very difficult situation. "Second, Netanyahu fears that Arafat will not be genuine in combating terrorism. Third, Arafat is concerned that Israel is not genuine in implementing [the] Oslo [II accord] beyond Hebron."

The US official continued, "We need an avoidance of settlement activity, an avoidance of terrorism and maintenance of security, and a commitment to invigorate the peace process after Hebron by implementing Oslo."

The US official defended President Bill Clinton's criticism of settlement policy. "This president has avoided making settlements the issue for more than four years. He criticized George Bush for the way he handled the issue. When Bill Clinton starts expressing his real concern, he is attempting to send a signal to the government of Israel that its house is on fire."

An official in the Prime Minister's Office said yesterday, "We should change the channel on the settlement issue. We don't gain by this issue being talked about all the time. We should place our focus on security where are concerns are better understood."

It should be noted that the Palestinians have yet to formally insist that halting settlement expansion be linked to a Hebron deal. Israel has insisted that expansion of existing settlements is not counter to a Hebron deal.

When asked in Vienna yesterday if he planned to meet Netanyahu, Arafat said, "I'm not against any meeting with Mr. Netanyahu. But not only for propaganda."

Speaking at a news conference in Vienna after meeting Austrian Foreign Minister Wolfgang Schuessel, Arafat said, "I'm looking to have a constructive meeting to implement accurately and honestly what had been signed and what had been agreed upon in the White House under the supervision of President Clinton," he said. Meanwhile, the flap over alleged remarks made by Bar-Ilan — in reaction to Clinton's comment that settlements are an "obstacle" to peace — has faded. Bar-Ilan made clear that he considered the issue over since he never said, as a reporter at a State Department characterized him as saying, that Clinton's words were a "semantic pose," since he used the term "minor semantic escalation," which the US should not view as insulting, and noted that he called State Department spokesman Nicholas Burns to clarify the matter.

Burns, who rapped Bar-Ilan the day before, did not issue his own clarification yesterday, as some US officials thought Israel was still shrugging off Clinton's comments.

While noting that Israel has its own policy on settlements, Bar-Ilan sought to emphasize that Clinton's comments were important and should not be minimized.

The issue of settlement activity is expected to figure highly in Foreign Minister David Levy's trip to Amman today. At a joint news conference in Amman yesterday with Tunisian Prime Minister Hamed Karoui, Jordanian Prime Minister Abdul Karim Kabariti said that he would (Continued on Page 9)

Uri Geller opens UFO conference

HAIM SHAPIRO

JUST in case you're wondering what happened to Uri Geller, he's alive and well and, at the age of 50, he can still bend spoons.

Israel's most famous ESP practitioner, whose birthday is next week, was the main attraction at a press conference at the Jerusalem Holiday Inn Crown Plaza Hotel this week. He announced a conference on UFOs at the conference.

All 500 places at the conference, which will be held in Eilat, are sold out, according to organizer Carlos Ben Nun, and he is presently seeking a larger venue to accommodate another 200 would-be participants.

Looking extremely fit for his age, with a shock of pitch black hair, Geller wore a T-shirt bearing the logo of *Encounters*, a magazine he now publishes. A current issue features an apparent giant face carved out of the mountains of Mars, a photograph which, the magazine says, NASA tried to suppress.

He told of his own experiences with UFOs, starting at the age of four, when he heard a terrific noise and found himself facing a burning ball from which a ray came out and pierced him. It was after this, he said, that he began to discern his own powers.

His public life began after he was discharged from the paratroopers in 1968 and he began to appear at parties. His career took a giant leap, he said, when he met

Golda Meir and demonstrated his powers of ESP to her. When, afterwards, reporters asked her about the future of the state, she responded that they should ask Uri Geller.

However, he explained, since his powers are real, and not a trick, he could not improve on them, and he found his audiences decreasing to the point where he was appearing in small night clubs in Ramle and Lod. It was then that he took up an offer to come to the US to engage in research with the CIA.

These days, Geller said, he is a millionaire, with money earned by locating deposits of precious metals.

"Someone convinced me that there was more money to be made in finding metals than in bending it," he said.

Asked if he could help create a better feeling between Prime Minister Binyamin Netanyahu and Palestinian Authority Chairman Yasser Arafat, Geller said he could, but the request to do so would have to be a formal one from the prime minister.

He also tells that someone had asked him to help locate the missing Israeli navigator, Ron Arad, but that his part was leaked to the press and some member of the family suspected that Geller had wanted to publicize himself.

B'Tselem: Israel strip-searching Palestinian women in Hebron

JON IMMANUEL

OVER the past three weeks, security forces in Hebron have subjected 15 women to full strip searches, sometimes in front of their children, in what appears to be intentional humiliation of the women and their families, the B'Tselem human rights organization reported yesterday.

The searches, ostensibly for weapons, took place between November 27 and December 11 and the women concerned were aged 20 to 69. In two cases, a male policeman was present during the strip search. This is B'Tselem's second report on the subject, prompted by the continuation of the searches.

The IDF, which would normally be involved in searching for weapons in Hebron, said only police were involved, although at least one witness said the security forces wore IDF uniforms. The IDF, which used to sometimes order strip searches of women at Alkhalbi Bridge, stopped the practice more than four years ago and now uses electronic equipment to search for weapons.

The police response to the B'Tselem report cited "several instances of searches of Palestinian homes in Hebron which involved police officers and security forces who used force and caused damage," but did not comment on the

strip searches. Judea and Samaria police spokesman Boaz Goldberg described the earlier report as "lies." "During the intifada, a harsher period than now, I don't remember anything like this," said fieldworker Mazen Dandis.

B'Tselem maintained that the whole purpose of the searches could only be purposeful humiliation since in all the searches only one man was strip-searched.

Rajoub: Israel can forget about asking PA to extradite PFLP killers

JON IMMANUEL
and HERB KEINON

THE two Palestinian terrorists who killed two Israelis in the drive-by shooting near Beit El last week were sentenced to life imprisonment in a Palestinian security court last night, and their driver got 15 years, Preventive Security chief Col. Jibril Rajoub said.

Palestinian security forces yesterday arrested the driver, the third and last member of the Popular Front for the Liberation of Palestine cell which shot dead Eita Tzur and her son Ephraim last Wednesday. The killers, identified last night as Abdel Nasser Qaysi and Ibrahim Kam, were arrested last week. They were convicted of "betraying the security of the Palestinian people."

The driver, Ibrahim Hani, was found with the weapons used in the attack, according to Palestinian sources. Rajoub met with OC Central Command Maj.-Gen. Uzi Dayan in Jerusalem to brief him on

the arrests as the trial got under way in Jericho.

Rajoub said that any request for extradition "is a dream and won't happen. You can forget it."

In addition to the three-member cell, several PFLP supporters who helped the killers were also arrested. They helped lead Rajoub's force to the killers.

The Palestinian Human Rights Monitoring Group accused the police of using torture to extract information from PFLP members who were arrested.

Meanwhile, Yoel Tzur, whose wife and son were killed in the terror attack, yesterday led a group of residents from the settlement's cemetery to a nearby hill where they erected a makeshift memorial and pledged it would be the corner-

stone of a new neighborhood. On top of Har Artis, which overlooks the cemetery, Tzur said, "This small act will bring future action. This is not something that has to be done against [anyone], or despite opposition. It is something that has to be done together with the government, the defense establishment, and with all the necessary permits," he said.

Beit El officials have said discussions are underway at various governmental levels to expand the settlement. What is being contemplated, they say, is construction on land near the adjacent army base — legally part of Beit El — rather than on Har Artis, which is privately owned by Palestinians.

Meanwhile, Peace Now issued a statement calling on the prime minister and defense minister to stop "in its infancy" the initiative to build on Har Artis.

Five Hamas suspects caught

FIVE members of a Hamas gang believed on its way to carry out an attack in Israel were arrested by a Border Police undercover squad last night.

The five, residents of the Bethlehem region, were arrested in the area, thanks to cooperation between the General Security Service and the Border Police unit. (Him)

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US Congress: We support PM

HILLEL KUTTLER
WASHINGTON

IN a week when former US officials and President Bill Clinton himself criticized Israel's settlement policies, key voices in the Congress stated solidly that they are not going to pile onto Prime Minister Benjamin Netanyahu.

Jesse Helms and Benjamin Gilman, chairmen of the Senate foreign relations and House international relations committees respectively, wrote Netanyahu yesterday to assure him of Congress' continued support. But they did not include any reference to settlement building. A Senate source said yesterday he believed the Helms-Gilman communication was a "direct response" to the letter sent to Netanyahu over the weekend by eight former secretaries of State and Defense, national security advisors and Middle East envoys. That letter criticized Netanyahu for undertaking a settlement policy that threatened any accommodation with the Palestinians over the territories. Clinton told a news conference Monday that encouraging Israelis to settle in the territories was "absolutely" an obstacle to peace by "preempting" negotiations on a peace deal. "We were frankly disgusted by it," the Senate source said of the

original letter. "Maybe a bunch of has-beens are giving [Netanyahu] a hard time, but those of us in power think no one should be giving [Netanyahu] instructions." The Republicans controlling Congress are among Netanyahu's staunchest supporters here, particularly since the prime minister's address to both bodies in July in which he affirmed his commitment to making peace and wearing Israel off its \$3 billion annual aid package. "There are voices who insist that it is incumbent upon the state of Israel to make all the sacrifices for peace. Do not count us among such people," Helms and Gilman wrote. "All parties to the peace process must act in good faith; no one can credibly pretend that the peace will hold or fail based on the actions of one party alone."

"We would not presume to advise you on specific steps to take, or to refrain from taking, in your pursuit of a just and lasting peace. We do, however, support your efforts to assure the security of Israel's people and its borders." The two wrote Netanyahu that the continued negotiations over IDF redeployment from Hebron "are a testament to Israel's willingness to work towards a viable agreement with the Palestinians."

Mordechai names settlements adviser

DEFENSE Minister Yitzhak Mordechai has appointed Eli Cohen as his new adviser on settlement activity after the Labor-appointed Noach Kinarti asked to resign. Cohen will also be responsible for advising Mordechai on infrastructure and development areas. Kinarti, who was with Mordechai during his meeting with settler leaders in Beit El on Sunday, is leaving after four years in the position. Mordechai accepted Kinarti's resignation and praised his work. Cohen, 47, is a former deputy mayor of Ma'aleh Adumim. Like many of Mordechai's advisers, he is a veteran senior paratrooper officer. *Arieh O'Sullivan*



Stanley and Joyce Boim, the parents of David Boim, who was killed by Palestinian terrorists near Beit El in June, demonstrate yesterday in front of the US consulate in Jerusalem. The Boims want the Palestinian Authority to extradite their son's killer to Israel. *(Ariel Jeruzolimski)*

Settlers split on strategy

HERB KEINON

SETTLEMENT leaders holding a two-day strategy session in Ariel yesterday found themselves split between those who want to come out in full support of the government, those who advocate a national unity government, and even those who say it is time to begin looking for a right-wing alternative candidate to challenge Binyamin Netanyahu in 2000. Elkana Local Council head Nissan Slomiansky suggested at the meeting in Ariel of heads of the Council of Jewish Communities in Judea, Samaria and Gaza that an alternative candidate be considered as a way of applying pressure on Netanyahu and getting him to begin massive building in the settlements. "The prime minister and govern-

Hanegbi salutes settlements

LIAT COLLINS

JUSTICE Minister Tzahi Hangebi sent out a strong message of support for settlements in a Knesset plenum discussion yesterday. "The settlements are a big obstacle to peace, to [Yasser] Arafat's peace, the peace of the left in Israel — just like Israel is a big obstacle to the dreams of peace of many of our neighbors who would like to see a Middle East without the State of Israel, a Middle East which lives in tranquility without a bone stuck in its throat," Hangebi said. He was answering a motion to the agenda by MK Michael Kleiner (Geshet). "The settlements are no more of an obstacle to peace than Jerusalem, Ariel, Ma'aleh Adumim, Shilo and Anatot interest them like last year's snow," Hangebi said. He recalled the demonstrations by the left when building started in the Jerusalem neighborhood of Pisgat Ze'ev over the Green Line. "But nothing happened. The skies didn't fall in. Why? Because there are things we are not prepared to accept. We can't accept that we shall stop settling our land. That's unacceptable. We can reach this or that political arrangement, we can compromise, we can come out of the negotiations without everything we want, but not to settle the land? What are we here for?"

IAF jets blast Hizbullah targets

DAVID RUDGE

IAF warplanes twice blasted Hizbullah targets in south Lebanon yesterday amid reports of ongoing fighting in which three of its members were said to have been killed.

The Associated Press reported from Lebanon that IDF troops had spotted a Hizbullah squad trying to infiltrate the security zone, north of Soujoud in the eastern sector.

According to the reports, the IDF troops positioned in hills overlooking Akmata village, north of the zone, opened fire, sparking exchanges that lasted for nearly an hour.

During the fighting, three Hizbullah gunmen were killed. There was no confirmation of the report from any other sources.

The report, quoting sources in the security zone, said the IDF troops called in air support and three jet fighters strafed Hizbullah positions in the region.

The IDF Spokesman confirmed that IAF warplanes struck at terrorist targets in the zone's eastern sector yesterday morning, saying that all the planes returned safely to their bases.

Later in the evening a second sortie was made on Hizbullah targets in the same area. In both raids, pilots reported accurate hits

and all planes returned safely, the IDF Spokesman said.

Reports from Lebanon said three jets fired a total of six rockets at targets around Akmata and the M'lita hills in Lebanon's Iqim al-Toufah region.

Hizbullah later attacked IDF and South Lebanese Army positions in the eastern and central sectors with mortars and light weapons fire. There were no casualties and IDF and SLA gunmen returned fire.

Meanwhile, a senior Hizbullah official has again criticized the Grapes of Wrath monitoring committee for being ineffectual.

Sheikh Nabil Kaouk, Hizbullah's leader in south Lebanon, was quoted in the Lebanese press as saying that the monitoring committee had consistently failed to "protect Lebanese civilians from repeated Zionist attacks."

"We warned against Israel 'continuing in this way,' saying Hizbullah would continue to 'show the enemy's weakness and impotence to its own public opinion,'" Kaouk was quoted as saying.

Suissa: Ras al-Amud project can be delayed

JON IMMANUEL and LIAT COLLINS

INTERIOR Minister Eli Suissa said Prime Minister Binyamin Netanyahu had not asked him to put aside plans to build 130 housing units on the edge of Ras al-Amud in eastern Jerusalem.

Still, Suissa said, if it's necessary "to wait a little, we will wait. We have been waiting for the Messiah long enough, so we'll wait."

Suissa said there was no justification for international calls for a delay in the project. He pointed out that the land slated for Jewish housing was a small sliver on the edge of the Arab neighborhood and that 800 Arab housing units were also slated for construction. He said threats of violence should not be taken seriously, because there is a consensus in Israel concerning the status of Jerusalem and such threats are also heard whenever construction is slated in Jaffa and other Arab populated neighborhoods.

"I lived in Morocco in one building with Arabs and I want to return to that. I don't see it as building inside an Arab population." Labor faction chairman Ra'anan Cohen sent a letter to Suissa yesterday asking him to postpone building permits for Ras al-Amud. "Even if justice and the law are on your side, it is better to be wise before acting and to prevent a flare up which will harm the negotiations with the Palestinians. Even if we are right, it's better to be smart," Cohen wrote. He said the decision to populate the neighborhood with Jewish residents would likely cause riots and stressed he was referring to the decision itself, which could be seen as a provocation even before the bulldozers moved in to start work. Knesset Interior Committee chairman Sallah-Tarif (Labor) said: "The problem in Ras al-Amud is real and dangerous, and the fact that the government is two-faced in this matter only goes to prove this. In any case, the responsibility falls entirely on the prime minister."

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IDF bracing for possible clash with Palestinian forces in Gaza

ARIEH O'SULLIVAN

IDF forces are bracing for a possible violent escalation with Palestinians, following tensions which arose yesterday near Netzarim in the Gaza Strip when Palestinian police tried to block Israeli forces from renovating an IDF outpost.

OC Southern Command Maj-Gen. Shlomo Yanai gathered his commanders last night to discuss the possibility of dealing with a renewal of confrontation with Palestinian forces in the Gaza Strip. "It's clear that this isn't a good situation. We have to do what ever we can to clam it and find a situation where there won't be any kind of unintentional flare up due to local individual tensions," Yanai told reporters earlier. The tensions began yesterday when Palestinian police tried to block an IDF force moving along the coastal road toward Netzarim. The ruckus drew Palestinian students and the gathering soon turned into an argument between the two sides over passage along the road and work at an abandoned IDF outpost. Military sources said the Palestinians finally backed down after it was "unequivocally told to them that the IDF would act immediately and with all the means at its disposal" to maintain responsibility for the road and the outpost. The outpost, which had been vacated by the IDF over a year ago, was to be renovated since it holds a panoramic view of Gaza City's

planned port. But Palestinian sources said the IDF wanted to install a radar station on the site, contrary to an agreement reached between the two sides last year.

"I can only say that the IDF in its territory does what it feels is right when it feels it is right and will continue to do so. We are prepared for all possibilities, even if another exchange of fire breaks out," Yanai said.

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NEWS IN BRIEF

Woman hurt after falling out of moving car
A 23-year-old woman from Taiba village near Ein Hovod was seriously injured yesterday when she fell out of a moving car. The woman, who had been sitting in the rear seat, was taken to Afula's Ha'emek Hospital and from there to Haifa's Rambam Hospital. Police are investigating how the woman managed to open the door and fall out without the driver and a man sitting in the front seat noticing. A total of 124 people were hurt in 94 traffic accidents yesterday across the country. Two of the injured were seriously hurt, three suffered moderate injuries and the rest were lightly injured. *Itim*

Weizman to visit India next week
President Ezer Weizman will fly at the end of this week to New Delhi for a state visit. Weizman will sign agreements for industrial research and development; a cultural exchange program; and an agricultural agreement that will include laying the cornerstone for a farm near Delhi where Israeli expertise will be utilized. *Batsheva Tsur*

In deep sorrow we announce the death of our dear mother, grandmother and sister
MENA RABINOWITZ
The funeral took place yesterday, Wednesday, December 18, 1996 in Jerusalem.
Mourning by her
Daughters: Rivka and Gershon-Fraenkel and family, Michelle and Lenny Friedmann and family, Judy Rabinowitz, Elissa and Julian Weiss and family
Sisters: Bella Bender and Pauline Cramer
Brothers: Nachum, Saul and Leslie Nevies
Shiva at 4/2 Rehov Schwartz, Ra'anana.

Our sincerest condolences to Judy Rabinowitz on the death of her
MOTHER
The Management and Staff of The Jerusalem Post

To the Beitner Family
Deepest sympathy on the death of your dear
ESTER BEITNER
The Holmgren Families Sweden

With feelings of faith and hope in the Resurrection, the monks and sisters of
The Little Family of the Annunciation announce the death of their father and founder,
Fr. GUISEPPE DOSSETTI
who passed on to the Lord on Sunday, December 15, at the Convent of Monte Veglia in Italy, after a life spent in prayer, work, and meditation, in deep communion with all of humanity.
A Solemn Mass will be celebrated by His Beatitude Patriarch Michel Sabbah, for the repose of his soul, on Friday, December 20, at 12 noon, in the Con-Cathedral Church of the Latin Patriarchate in Jerusalem, Old City.

A memorial service and unveiling in the memory of my beloved wife
BERTHA JAGLOM ז"ל
will take place on Friday, December 20, 1996, at 12 noon at the Yarkon Cemetery.
Her husband, Harry Jaglom, and family

We announce the passing in Jerusalem of our dearly beloved
WILLIAM CHAIM BLATT ז"ל
of Boro Park
The Blatt Family
Shiva until Tuesday morning at the home of the deceased, 5 Keren Hayesod, Apt. 11, Jerusalem.

Herzog Hospital expresses condolences to Jeannine Brilleman President of Hug Yovel on the loss of her foster mother
CORNELIA VANDER BULT
Amsterdam

With sorrow we announce the passing of
MIRIAM BAUM
mother of Henry and Lilian
The funeral will take place on Thursday, December 19, 1996 at 3:30 p.m. at Kibbutz Yizre'el.
Kibbutz Yizre'el

To Alan Sacks and the Sacks Family, in Israel and England
Our sincerest condolences, on the passing of your beloved father
LOUIS ז"ל
Our thoughts are with you, during this most difficult time.
Your friends,
Jonathan & Irit Kolber
Jack & Mina Brin
Danny & Gina Biran
Aaron & Rivkah Zuker
Mark & Cathy Smith
Huw Phillips

For a day...
Health Minister cholesterol egg
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Sara Perl, 'The Sold dies at 79



Knesset Speaker Dan Tichon gets his blood pressure checked yesterday as part of health awareness day for MKs. (Isaac Harari)

For a day, doctors make a House call

DOCTORS and nurses from the Maccabi health fund made a House call yesterday, checking more than 300 Knesset staffers and MKs in a campaign aimed at alerting the public and its elected officials to possible health problems. Among those examined were Health Minister Yehoshua Matza and his predecessor Justice Minister Tzahi Hanegbi. MKs and employees were weighed and their pulse rates and blood pressure were checked. They also underwent blood and urine tests for cholesterol levels and sugar. Several checked their cigarettes only as they entered the examination room. Many discovered they weren't just political

heavyweights, but generally overweight. The Knesset cafeterias marked all food with its calorie and fat content yesterday. MK Salah Salim (Hadash) quipped that although he is overweight, he has less of a problem than his skinny colleagues. "We're all being asked to make cuts and reductions. Where are the thin ones going to cut from?" Nissim Zvili (Labor) noted that since electronic voting was instigated "we don't even get the exercise of raising our hands to vote anymore." The tests were carried out in cooperation with Knesset physician Dr. Yitzhak Lipschitz.

The conclusion was that MKs need a little more exercise than running in political races. Meanwhile, MK Adisu Massala (Labor) yesterday demanded a public apology from Magen David Adom director Amos Lurie who last week said Massala had decided not to donate blood because "perhaps he knows that there are things in his blood which prevent its use." Massala said the statement is slanderous and propagates stereotypes of Ethiopian immigrants. He said his refusal was to protest the fact that his blood would be treated differently from all other MKs' because Ethiopian immigrants are considered at high-risk to be carriers of the AIDS virus.

Health Ministry: Low-cholesterol eggs a hoax

SO-CALLED low-cholesterol eggs actually have the same amount of cholesterol as normal eggs, Dr. Brian Cousin, head of the Health Ministry's food services division, told the Knesset State Control Committee yesterday. While it is true that these eggs have a high concentration of a fatty acid called Omega-3, Cousin continued, there is no proof that this substance reduces the quantity of cholesterol in the blood. Cousin said the ministry is planning legal action against the producers responsible for the misleading claims. Committee chairman Ran Cohen (Meretz) demanded that the ministry also publish advertisements warning the public that the low-cholesterol eggs are fraudulent. This is a very dangerous fraud, he said, because people suffering from high cholesterol, who should not be eating eggs at all, think it is okay to eat these eggs and thereby

endanger their health. Cohen noted that the false advertising also enables the producers of the low-cholesterol eggs to charge 75% more than the price of ordinary eggs. Dalia Harel, deputy director general of the Agriculture Ministry, explained that the low-cholesterol eggs were exempted from the price controls imposed on ordinary eggs because of the high cost of producing them. In another egg-related matter, Cousin also told the committee that the ministry suspects eggs are at the root of several deaths in nursing homes recently. The ministry thinks the deaths might have been caused by eating eggs smuggled in from the Palestinian Authority which were infected with the salmonella bacterium. Cousin added that surplus egg production increases the danger of salmonella infection, because the eggs sit in warehouses longer before they are sold.

Labor gets 2 candidates on Druse religious judge selection committee

THE coalition suffered a defeat yesterday when the Knesset elected two opposition candidates as its representatives on the committee which appoints Druse religious judges. MK Salih Tarif (Labor) was a certain candidate as he is the only Druse MK. But former Likud MK Assad Assad, who is the prime minister's adviser on Druse affairs, failed to get the second seat on the committee, which went to Likud's other candidate Wahiba Wahaba. Tarif got 68 votes; Wahaba, 49; Assad, 42; and the Likud's second candidate Ayoub Kara, 13. Assad said after the vote: "It is my failure but also the prime minister's." The premier had asked the Knesset Speaker to postpone the vote but succeeded in delaying it by only one day after Tarif's supporters stormed the office of Knesset Speaker Dan Tichon on Tuesday. Wahaba said he would act to change the criteria for choosing the religious judges from family and clan ties to capabilities. The committee is considered particularly important for the Druse as the religious leadership is the guiding force for the community.

Sara Perl, 'The Soldiers' Aunt,' dies at 79

SARA Perl, known as "The Soldiers' Aunt," died yesterday in Safed at 79. Perl owned the city's famous Herzliya Hotel, which served as a vacation spot for the nation's leaders as well as the first soldiers' hostel, where soldiers could enjoy a free break from the army. "She had a special love for the army. She served for many years as chairperson of the Soldiers' Welfare Committee and visited the wounded daily, giving out gifts throughout the country, and in all the wars," her cousin, former mayor of Safed, Ze'ev Perl, said yesterday. Twenty years ago, she was miraculously saved from drowning in the Jordan River after her car was pulled into the water while she was on her way to distribute cakes to soldiers on the Golan Heights. One of her friends died in the incident, while she and two others were saved thanks

to a passing Beduin's intervention. IDF generals in the North often visited her at home and, until she took ill a few months ago, she visited soldiers in the hospital and on bases. "You're all my sons, and I love you," she said. Perl was buried yesterday at the Safed cemetery. Safed chief rabbi Shmuel Eliash said in his eulogy: "Her good deeds and charity can never be buried. They will stay with us forever." (Itim)

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NEWS IN BRIEF

Sharon man shoots Rotweiler
A resident of Avihail in the Sharon shot and wounded a Rotweiler Tuesday, because it was threatening his two-and-a-half-year-old son. The dog was wounded, and another Rotweiler that was with him disappeared. The two dogs were licensed, although their owners had not reported them lost or wounded. The man said the dogs approached his son and tried to attack him, so he pulled out his gun and shot one of them. Police are investigating the incident. (Itim)

Yeshiva director accused of embezzlement
Shimuel Edri, 37, of Petah Tikva, the director of the Yamit yeshiva at Neveh Dekalim in Gush Katif, was freed on bail yesterday by the Tel Aviv Magistrate's Court, after being accused of embezzling yeshiva funds. According to the indictment, Edri covered up his actions by making false entries in documents belonging to the yeshiva and the catering company that he also ran. He is accused of fraud and violation of trust and theft by a civil servant, among other charges. Edri denied the charges, but the police agreed to free him on NIS 70,000 bail, and banned him from leaving the country. The judge also banned him from contact with anyone involved in the case. (Itim)

Company head suspected of tax evasion
The managing director of Avi Cosmetics Ltd., suspected of evading taxes on million of shekels worth of business transactions, was released yesterday on NIS 200,000 bail and barred from leaving the country for six months. A Haifa Magistrate's Court judge heard that Shimon Furman, 44, of Hadera, who headed the Cil chemicals company from 1994-95, is suspected of evading taxes in deals worth NIS 2 million with Cil and NIS 600,000 with Avi Cosmetics. (Itim)

Transportation guards to work on scooters
The Transport Ministry will launch a new security unit in the coming days that will be made up of 60 guards on motor scooters. The unit aims to increase the mobility of public transportation guards and their ability to foil terror attacks, the ministry said in a statement. (Itim)

'Yediot' publisher questioned by National Fraud Squad

YEDIOT Aharonot publisher Arnon "Noni" Mozes was questioned by the National Fraud Squad yesterday in connection with false financial statements that were allegedly intended to mislead other shareholders in the newspaper. Rival Yediot shareholders - currently in the middle of a civil law suit over control of the daily - filed a complaint to the Fraud Squad alleging Mozes wrote false financial statements to cover up expenses he wished to hide from other family members, who also are shareholders. Family members allege Mozes used finances from the daily to commission wiretapping, via its security officer Haim Rosenberg. Rosenberg is awaiting a hearing on charges of wiretapping workers' phones at rival Ma'ariv. The Tel Aviv District Attorney's office is reportedly preparing an indictment against Mozes for commissioning the wiretaps. (Raine Marcus)

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Bar Association head Hoter-Yishai indicted for tax evasion

BAR Association head Dror Hoter-Yishai was indicted for tax evasion in Tel Aviv Magistrate's Court yesterday. Hoter-Yishai, who recently caused a stir in legal circles when he slammed the judicial system, particularly the Supreme Court, was indicted on three charges of tax evasion, assisting another person to fraudulently avoid taxes and making false declarations to tax authorities. According to prosecutor Ella Rubin, Hoter-Yishai succeeded in defrauding income tax authorities out of hundreds of thousands of shekels between 1990-1992. Hoter-Yishai said after the indictment was filed that he was

RAINE MARCUS
"sorry that the legal system has deteriorated to such an extent." "There is much to correct in the system," he added. "Whoever criticizes the system intends to help it and not to damage it." The charges regard a plot of land in Azur, owned by his father, Aharon, and his father's partner, Shimon Gurinsky. Hoter-Yishai discovered that a metal company was illegally dumping scrap metal on the land. He sued the company in Tel Aviv Magistrate's Court, which ruled that it must vacate the land or pay the owners a fee. Aharon Hoter-Yishai and Gurinsky also were compensated

for illegal use of the land. After the company paid the partners, Dror Hoter-Yishai took charge of the accounts, allegedly making false entries with the aim of defrauding authorities. According to the indictment, he deliberately failed to declare taxes on behalf of his father and Gurinsky. Aharon Hoter-Yishai and Gurinsky have not been charged, and the district attorney accuses Dror Hoter-Yishai of organizing the tax scam. The Movement for Quality Government called for Hoter-Yishai's suspension as head of the Bar Association yesterday. The trial will open in February in Tel Aviv Magistrate's Court.

Kahalani blocks Amit's meeting with Jerusalem caucus MKs

MEMBERS of the Knesset's Jerusalem caucus were up in arms yesterday over Internal Security Minister Avigdor Kahalani's refusal to let outgoing Jerusalem Police chief Cmdr. Arye Amit address the forum. The caucus's co-chairmen, MKs Rubi Rivlin (Likud) and Ophir Pines (Labor), charged that Kahalani prevented Amit from speaking because of Amit's recent criticism of him in the press. Amit accused Kahalani of improperly interfering in the police's handling of haredi riots on Jerusalem's Rehov Bar-Ilan this summer. "It seems to me that this is some kind of act of revenge," Pines said. "I see this as a provocation." Rivlin said he has spoken by phone to Amit, and Amit told him that "in his opinion, the minister did this to settle accounts with him." While the caucus does not have the legal status of a Knesset committee, Rivlin said, it deserved respect and cooperation from the government. "Our invitation, to all of our minds, obligated the minister not to interfere," he spoke. Kahalani's spokesman, Rafi Levy, responded that standing police rules forbid any officer to

EVELYN GORDON
address a public or political forum or be interviewed by the press without express permission from both the police inspector-general and the internal security minister. Amit therefore violated the rules by agreeing to appear without Kahalani's okay. Furthermore, he said, it is standard practice that permission of this sort is not given except when an officer is about to retire. Amit not only still has another three months in his present post, but he is not even retiring at that point, Levy noted. He is merely going abroad to study, while remaining a part of the force. "Amit wears a uniform, and that imposes certain obligations on him," Levy said. Kahalani nixed Amit's visit less than an hour before the caucus's 4 p.m. meeting, after Amit had already arrived at the Knesset. According to Levy, this was because Kahalani learned about the scheduled appearance only at about 2:30 p.m. Pines said he had asked Kahalani to okay Amit's appearance a week ago, and never heard back. Levy responded that

due to an office mix-up, the aide to whom Pines's aide spoke failed to inform Kahalani at the time. Some of the caucus members supported Pines and Rivlin, but others did not. "It's not proper for us to conduct an argument with the minister when he is not present and the press is," said Rehavam Ze'evi (Molodet), who suggested that instead of a public attack, Rivlin and Pines simply ask Kahalani to reconsider his decision. Alex Lubotsky (Third Way) went even farther in his defense of his party's leader, saying it would "not be constructive" to have Amit appear before the caucus at a time when his fight with Kahalani, rather than his knowledge of Jerusalem affairs, would inevitably take center stage. "The minister's decision, at this time and under these circumstances, seems to me to be justified," he said. Pines strenuously denied radio reports that Labor was negotiating with Amit to make him their candidate for mayor of Jerusalem in the next elections. "Nobody has spoken to him about this matter," Pines said.

DeBaKey participates in telemedicine consultation with Beilinson doctors

JUDY SIEGEL
PIONEER heart transplant surgeon Michael DeBaKey, who was consulted regarding Boris Yeltsin's bypass operation, participated yesterday in a joint telemedicine consultation with surgeons at the Rabin Medical Center-Beilinson Campus. From the operating theater via videoconference, Beilinson heart surgeon Prof. Bernardo Vidne and cardiologist Dr. Einat Birak discussed with DeBaKey the case of a 17-year-old youth whose aortic valve was damaged by rheumatic fever, and had to be replaced. A variety of alternatives are available for such cases, including the use of a processed valve from a human donor or a pig, or reshaping one of the patient's other valves for this purpose. In the end, the Israeli and American doctors chose the Ross procedure, in which another of the patient's valves is rebuilt to fit the aorta. The medical consultations were transmitted over an integrated services digital network (ISDN). Hospital officials say they regard telemedicine as the wave of the future, and will become increasingly involved in this technology. Doctors on both sides of the line can view video pictures, the results of scans and the patient's file, and get an audio feed. The first Israeli conference on telemedicine will be held on Sunday at Tel Aviv University, in cooperation with the Science and

Yigal Amir costs state NIS 500,000 a year

Communications ministries. The Science Ministry said yesterday that telemedicine has the potential of being a huge global market - perhaps as big as \$120 billion - to bring specialists closer to the periphery and even to supervise patients' conditions at home. So far, the ministry said, a handful of hospitals and a number of high-tech firms are involved, but they are not being coordinated. Under the new research and development agreement between Israel and the European Union, Israeli companies will be able to present telemedicine proposals for research grants totaling \$120 million.

LIAT COLLINS
INTERNAL Security Minister Avigdor Kahalani told the Knesset yesterday that it costs NIS 500,000 a year to keep Yigal Amir in prison. He was answering a parliamentary question by MK Ran Cohen (Meretz). Kahalani said Amir is held in solitary confinement for security considerations and for fear he will attempt suicide. Kahalani said to the best of his knowledge Amir receives kosher food like all other religious prisoners and not restaurant food as recently reported.

EYE ON THE MEDIA
DAVID BAR-ILLAN
Media reporting on Israel is not only relentlessly unfair but immensely harmful to Israel and to democratic values. The Jerusalem Post's popular and hard-hitting Eye on the Media column cites specific media reports and names to expose the bias, distortions and gross factual errors that plague such coverage. Reprinted here are 97 recent columns on the way the American, European - and Israeli - media report events. Eye on the Media is an eye opener; essential reading for everyone who cares about Israel, truth and journalistic ethics. David Bar-Illan's column is outstanding. He is 100% right. Teddy Kollek (Davar, August 21, 1992)
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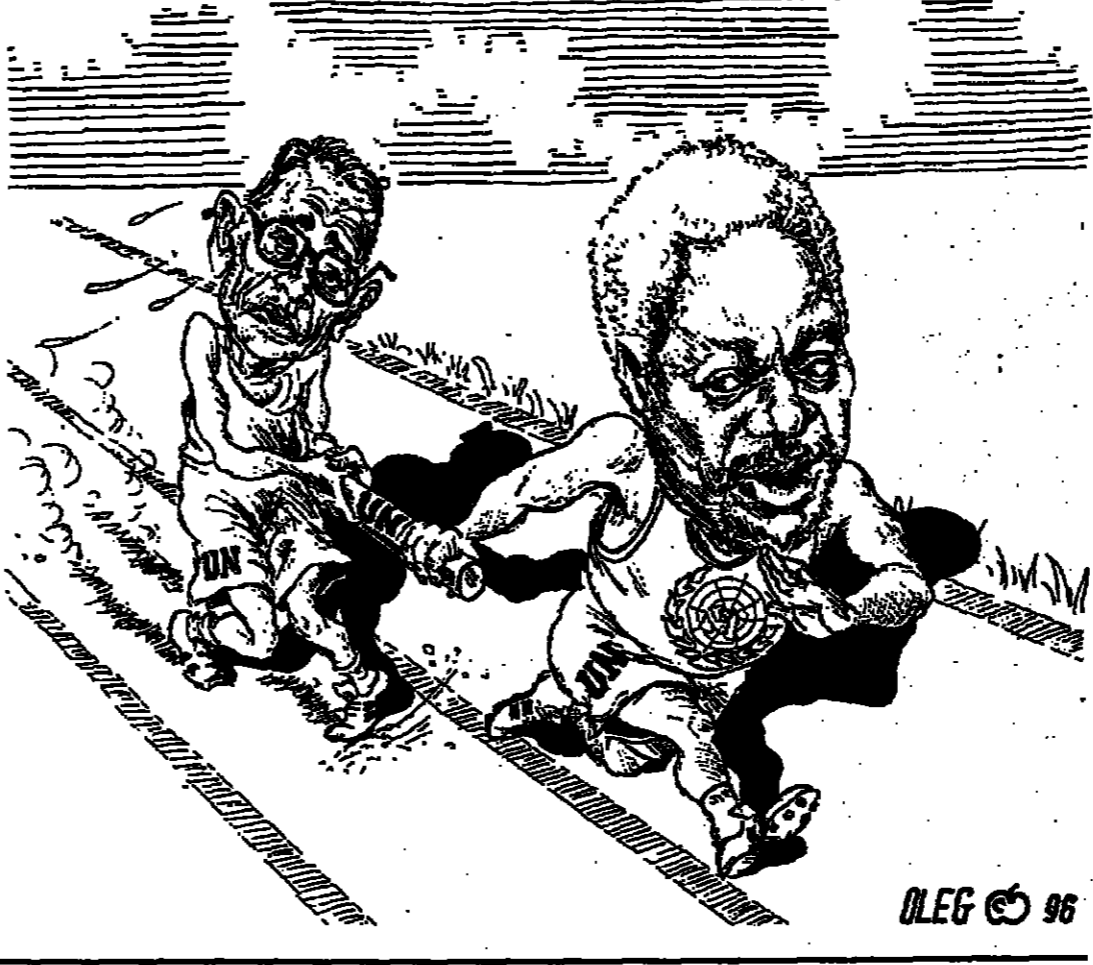
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Restore the warm ties

JORDANIAN Prime Minister Abdul Karim Kabariti sent a message to Prime Minister Binyamin Netanyahu this week warning that Jordan views the building of settlements as a "danger to [Jordan's] national security."

And things have moved more slowly on the economic front than many had hoped. Trade between Jordan and Israel only began last June, with the completion of a transportation agreement.



A tissue of lies

URI DAN DENNIS EISENBERG

ALMOST round the clock since Sunday evening, the Israeli electronic media, backed by the Hebrew press, Labor and left-wing MKs have hounded Binyamin Netanyahu, insisting that he lied to the country when he declared that GSS chief Ami Ayalon had advised him to open the Western Wall tunnel.

Service brass in his decision to open the tunnel. Shimon Peres chimed in: "I don't believe Netanyahu. No chief of any security branch, nor of the army, would have dared to give the prime minister such advice."

How happy Arafat must have been with the smear campaign against Netanyahu by leftist MKs and the Hebrew media

ty mounted to its climax, the voice of Ami Ayalon was heard for the first time on the subject. "Yes," he declared to the Knesset subcommittee on the secret service. "I did urge the prime minister to open the Western Wall tunnel. I raised the issue at various meetings with Netanyahu and encouraged him to open it."

unlike those who thrust falsehoods into his mouth. "It never crossed my mind to resign," he said later. It makes one wonder about the professional integrity of some journalists working for the Hebrew press.

LETTERS TO THE EDITOR

BIAS AGAINST ISRAEL

Sir - It appears that little has changed since last year's dialogue in The Jerusalem Post with The Economist, in which the latter was accused of harboring anti-Israel sentiments. It still does.

BUDGET CUTS

Sir - Finance Minister Dan Meridor wants to save NIS 2 billion more. Good! One measure in this direction, that would be an example to all, popular, and would not harm anyone, would be to cancel the 33 percent wage hike for MKs, which they do not deserve anyway.

POOR EDUCATION

Sir - Thank you, Susan Bellas, for your article of December 8, "As every child knows." It is a shame for us Jews in the Jewish State that we behave toward our non-Jewish fellow-citizens the way the majority of us do.

UTOPIA

Sir - The midwife of the infamous abortion called the "Oslo Process" has come up with a new blueprint for eternal peace, the so-called "Beilin-Abbas Plan." This new improved formula is teeming with such wonderful reassuring phrases as "suitable security protection," "additional security arrangements," "warning stations," and the clincher, "demilitarized Palestinian state."

CORRECT TERMINOLOGY

Sir - In the interest of promoting more accurate reporting, I wish to point out that the caption under the right-hand photograph on page 1 of the issue of December 12 is incorrect.

WHY SHOULD Ayalon resign?

His integrity is unblemished - As Barak put it, Ayalon is an honorable man. He spoke the truth without fear or favor.

PICTURE POSTSCRIPT



The long and the short of it: Le Thi Ny Dung, from Vietnam, can handle anything at her job in the Tel Aviv Hilton's laundry room - or so she thought until she came across this item. She could just about fit into one of the pockets of these sweatpants, which belong to Kevin Rankin, a 2.12 meter-tall basketball player whose team, Ulker Istanbul, was in Tel Aviv last week to take on Maccabi.

POSTSCRIPT

ARCHBISHOPS AREN'T what they used to be - or at least, their quotes aren't. "Please use a condom," Archbishop Tutu said. He was telling South Africans they can't be too careful if they did not stick to Christian teachings on sex.

Strange paradox

JESSICA MATHEWS

TAKING apart nuclear weapons, as the US and Russia have begun to do, has a huge drawback. One must figure out what to do with the plutonium that comes out, gram for gram the most dangerous material there is.

Nuclear nonproliferation, side by side with huge stockpiles of plutonium

tonium in the coming years, reprocessing of civilian plutonium could produce twice as much, and this reactor-grade plutonium - French and Japanese claims to the contrary notwithstanding - is perfectly good weapons fuel.



Bangladesh smuggling at of indep

Take the more even if the... (The text is partially obscured and difficult to read due to the image quality and angle.)



Bangladesh Prime Minister Sheikh Hasina is flanked by a military escort as she inspects a children's parade in Dhaka on Sunday, the eve of the country's silver jubilee of independence. (Reuters)

Bangladesh still struggling after 25 years of independence

A quarter of a century has passed since Bangladesh fought a bloody independence war against Pakistan, but the country has yet to achieve a flawless democracy or desired prosperity.

As the nation this week celebrates the silver jubilee of independence on December 16, 1971, a recounting of history and stocktaking of achievements and failures are under way.

This south Asian country of nearly 120 million people is battling grinding poverty and the legacy of military influence in politics while trying to shore up its fragile democracy.

Only six months in power after her Awami League won a general election for the first time in 21 years, Prime Minister Sheikh Hasina is facing threats by her rivals — not only to topple her government but to kill her.

"I am facing threats of being killed. But I am not afraid because I have seen my parents and the whole family being gunned down by people seeking power through back doors," Hasina said recently.

Hasina and her sister, Sheikh Rehana, were traveling abroad during the 1975 coup in which Hasina's father, independence leader Sheikh Mujibur Rahman, and most of his family were killed.

The 15 years of army rule that followed Mujib's death ended in 1991 when Bangladesh Nationalist Party (BNP) leader

Begum Khaleda Zia was elected Bangladesh's first woman prime minister.

The BNP lost the election last June to Hasina's Awami League, and quickly began a campaign to oust the new government.

The short run of civilian rule has never been free from threats of military takeover or the military's unwritten authority over civil administration, political analysts say.

Bangladesh had three coups and a series of abortive mutinies between 1975 and 1991 that severely impeded its socio-economic development. Under dictatorial rule, corruption grew, politics was polluted and half the country lived in absolute poverty.

"It's unfortunate that Bangladesh is still a fragile democracy after 25 years of independence," said Dr Tareque Shamsur Rahman, a teacher in the Government and Politics department at Jahangir Nagar University.

"Democracy is inching only at a snail's pace," he said.

Military influence in state affairs has lessened somewhat since a mass uprising toppled the last military ruler, Hossain Mohammad Ershad, in December 1990. But it is still strong and criticism of the military is a taboo.

"Politicians now seem to prefer a status quo on the question of the army. Prime Minister Hasina is attending almost all army functions," Rahman said.

He and other analysts cited Bangladesh's recent political achievements.

Parliamentary democracy is back and the country has recently found a way for peaceful changes of power under a constitutional provision for elections held by neutral caretaker authority.

Ershad, now in jail, seized power in a bloodless coup in early 1982 from the BNP, a party founded by his predecessor, General Ziaur Rahman, husband of Khaleda Zia.

"The military rulers made many politicians corrupt with money and divided them to perpetuate their rule," one analyst said.

"But it seems that our politicians are failing to capitalize on new opportunities [under civilian rule]. Growing mistrust between the two main political parties, headed by Khaleda and Hasina, is a constant threat to democracy," he said.

BNP-Awami League quarrels have crippled parliament since 1991, first from agitation by the opposition Awami League during the BNP rule, and now by the BNP with the Awami League in power.

"We could not work in the last two years of our tenure because of the opposition disturbances. We have now been forced to walk out of parliament because Awami League would not let us speak," BNP Secretary-general Abdul Mannan Bhuiyan said. (Reuters)

Romania's Jews seek warm ties with new gov't

The 14,000-strong community may have an ally in attempts to recover properties seized in World War II, Michael Jordan reports from Bucharest

PINCHED between their drive for justice and the specter of an antisemitic backlash, Romania's Jews are seeking to establish warm relations with the new government in Bucharest.

Leaders of this rapidly aging and dwindling community — which now numbers only 14,000 compared to a pre-World War II total of 800,000 — are determined to recover properties seized first by the wartime fascists, then the communists.

They also hope for financial assistance for the 1,000 or so Holocaust survivors and political support to counter an active antisemitic fringe.

Now they appear to have a strong ally. The center-right coalition of president-elect Emil Constantinescu was swept into office November 17 by vowing to chart a course toward European integration with major democratic and economic reforms.

Lower on the long list of preconditions for joining NATO and the European Union is restitution of nationalized, communal properties confiscated from minorities, including churches, schools and hospitals.

The recently deposed leftist government, led by ex-communist Ion Iliescu, advanced the process slowly amid pressure from the right.

"This new government wants to get into the EU and NATO and you can't do this if you are chauvinistic and nationalist," said Romanian writer Janos Szasz, an ethnic Hungarian and Jew.

"It would be in their best interests to have good relations with all of Romania's ethnic minorities."

No one knows this better than the Jewish community. For the past half-century, they have enjoyed a more cozy relationship — some would say too cozy — with their government than perhaps any other Jewish community in Central or Eastern Europe.

Following the Holocaust, during which half of Romania's Jews perished at the hands of Hungarians, Germans and Romanians, the community's survivalist instinct led it to forge close ties with the communist regime. It paid off under the brutal dictator Nicolae Ceausescu.

Some 320,000 Jews — many of them reportedly sold for about \$5,000 apiece — emigrated to Israel and elsewhere, mostly in the 1970s and '80s. It marked the single largest post-war exodus in Europe until the present wave of aliyah from the former Soviet Union.

The Jewish community was also allowed to maintain kosher restaurants, Hebrew classes and a Jewish newspaper. After Ceausescu's execution during the December 1989 coup, Romania's chief rabbi, the venerable Rabbi Moses Rosen, kept relations running smoothly with Iliescu.

But today, as always, Jewish leaders here know they must tread carefully. If they are too vocal or ask for what seems to be too much, they worry it will provide more ammunition for extremists.

Throughout the campaign, right-wing newspapers assailed the government for perceived favoritism of the Jewish community. Even the respectable opposition press joined in, alleging that US Ambassador to Romania Alfred Moses, who is Jewish, was working backroom deals with Iliescu on behalf of the Jewish community.

Julian Sorin, secretary of the Federation of Romanian Jewish Communities, said it's nearly impossible to put a price tag on all the assets lost.

A total of 510 Jewish communities were wiped out, the only sign they ever existed being the cemeteries that remain. The federation is focusing its efforts on restitution or compensation for the 295 demolished synagogues and expropriated assets including the 165 schools and 31 hospitals or nursing-care



After Nicolae Ceausescu's (below) execution in 1989, former chief rabbi of Romania Rabbi Moses Rosen kept relations running smoothly with successor Ion Iliescu. (Camera Press)

facilities.

"We, as a Jewish community, cannot act in a vacuum; we're in the same boat as the Hungarian, Greek and Turkish minorities," said Sorin, who also heads the Commission for Restitution of Communal Property, representing Romania's 18 ethnic minorities. "If we act with others, we have more power and can be more successful. But if we act alone, it could be the basis for a wave of antisemitism."

An equally powerful fear is if the government fails to revive the moribund economy and boost the quality of life.

Despite the tiny number of Jews, conspiracy theorists may finger them for blame, particularly the returning Romanian-Jewish émigrés and Israeli businessmen, said Romanian Chief Rabbi Yehezkel Mark, who replaced Rosen last year after the latter's death in 1994.

"If the government succeeds, and the citizens of Romania are happier than before," Rabbi Mark said, "there'll be no need for scapegoats."



Take the more interesting job, even if the pay is less



DEAR RUTHIE, I am in a dilemma. I have two job offers from which to choose. One of these positions pays better, but the other is far more interesting. I need the extra money. I also have to give a final reply by the end of the month. How can I settle this dispute within myself?

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DEAR RUTHIE
RUTHIE BLUM

examination of which part represents what we really want, and which part represents what we think we should want.

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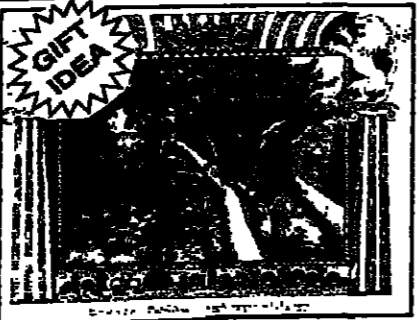
Just keep in mind that a dull job —

no matter how well paying — can lead to demoralization; while an interesting one can lead to a slew of other options, including ones which are more bank-account friendly.

Letters should be addressed to: "Dear Ruthie," POB 81, 91000 Jerusalem. For E-mail: editors@jpost.co.il

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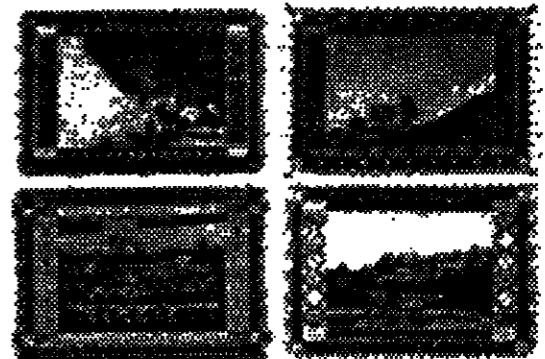
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BUSINESS & FINANCE

Thursday, December 19, 1996

8



Iraqi boys pan for gold on the shores of the Tigris River in Baghdad this week. Gold panning has become a way of life for many Iraqis since the UN imposed sanctions on the country six years ago. Former teachers, taxi drivers, college students and children now spend days sifting the earth near Baghdad's jewelry district trying to find traces of gold.

Sharon urges building of 'Treasure Islands'

Promises two new urban centers in Negev DAVID HARRIS

NATIONAL Infrastructure Minister Ariel Sharon yesterday suggested building a string of islands opposite major coastal towns to house hotels, marinas, offices, airports and homes. Speaking at a convention of the Association of Contractors and Builders in Israel, Sharon said the islands should be built about one kilometer offshore. The idea has been raised previously, only to be dismissed as too expensive. Still, by encouraging private-sector investments and joint ventures, Sharon said, the scheme could go ahead. The first islands could be completed within 15 years, he said. "These could become your treasure islands," he said. Builders could make big profits from such huge infrastructure projects. Meanwhile, two new communities will be established in the Negev northeast of Beersheba, Sharon said. One will soon be constructed between Kibbutz Lahav and Kibbutz Kramim, with the other between Metar and Hurvat Yattir. These, together with the commuter settlement planned for east of Beit Guvrin, will become population centers with tens of thousands of people each, he said.

New TA-Jerusalem rail route gets initial okay

Jerusalem Post Staff THE new route of the Tel Aviv-Jerusalem railway was decided upon this week by the Ports and Railways Authority steering committee. This is only the first stage of approval for the \$390 million project which includes the construction of 40 kilometers of track, 15 km. of which will be through tunnels. The line will run from Tel Aviv, north of Highway 1, via Ben-Gurion Airport, Modi'in, Sha'alvim, Ma'aleh Hahamisha and Mevaseret Zion, before arriving at an underground terminal to be built beneath the new Egged bus terminal in Jerusalem. Actual travel time will be 28 minutes, but with stops at the stations at Ben-Gurion and Modi'in, the journey will take an extra 5 minutes. The committee examined six other possible routes, including that preferred by National Infrastructure Minister Ariel Sharon, almost half of which would have been constructed in the territories. Sharon accepted the decision, saying he will abide by the view of the professionals. It is anticipated the approved route will carry some 28,000 passengers each day. Now the authority's planning and construction committee must consider the proposal before it is presented to Sharon and then the government. In addition to the new line, the existing route would be shortened by 11 km. to 75.6 km. and be officially designated a tourist route.

Frenkel, Meridor compromise on multi-year inflation goal Disagreement on the target for 2001

DAVID HARRIS THE Treasury and the Bank of Israel said yesterday they reached a compromise agreement on multi-annual inflation targets. In the past, governments refrained from stringent, long-term fiscal commitments. According to the agreement, the government will see to it that the rate of inflation will decrease by the year 2001 to that which prevails in "the industrialized states of Europe," according to a joint statement by the two agencies. As for the 1998 rate, it was decided that it will be fixed during the first half of next year, before discussions on that year's budget begin. Earlier this week, Prime Minister Binyamin Netanyahu, Finance Minister Dan Meridor, and Bank of Israel Governor Jacob Frenkel agreed that the 1997 target should be fixed as a range between 7 percent and 10%, compared to this year's 8% to 10%. Frenkel argued in favor of setting year-by-year targets until 2001, but Meridor opposed that idea. Netanyahu agreed to set a partial, multi-year inflation target on Tuesday night, as a compromise. The major difference remains what the Treasury and the central bank define as "industrial-nation inflation." The type of rate Frenkel wants to see by the turn of the century is similar to those currently found in the UK (2.7%), Germany (1.6%), Spain (3.4%), and the Netherlands (2.5%). Inflation this year is running at an average 2.3% in the Group of Seven nations, and 2.7% among the world's other recognized industrial countries, according to the International Monetary Fund. However, the Treasury prefers to use as a benchmark the much broader Organization for Economic Cooperation and Development framework, which has an average 4.6% inflation rate. That rate is higher because it includes inflationary economies like Turkey and Hungary. Fighting inflation will only be one plank of the government's aims in 1997, Meridor said. Reducing the balance of payments deficit, ensuring stable growth, and absorbing more immigrants, will all feature high on the Treasury's list of priorities. Ahead of Tuesday's meeting, Meridor told the Jerusalem Post he does not believe the economy is suited to multi-year targets. "Until now Israel has never been able to reduce inflation gradually, but usually in one sharp drop as in 1985 and 1992," said Meridor. "At the moment we have the opportunity to set the 7% to 10% for 1997, because of the contractionary fiscal and monetary policies. If by mid-'97 inflation begins to lower, we may recommend a target for 1998." Following the meeting, the Treasury said Frenkel had accepted Meridor's view. The belief in the Treasury is that it is impossible to make accurate mid- to long-term predictions, and any such targets should only be set for the coming year. Frenkel said he was pleased Netanyahu agreed to a more flexible, long-term approach than had been adopted in previous years. The decision to set the target for next year is also a sign the government realizes inflation must be lowered as soon as possible, said the governor.

Ministry of Health: Sick fund deficit to hit NIS 2.2b. in '97

JUDY SIEGEL TWO years after the National Health Insurance system went into effect, there is a cumulative deficit of over NIS 1 billion, and next year it will grow to NIS 2.2b., Health Ministry director-general Gabi Barabash said yesterday. Barabash addressed the Knesset Labor and Social Affairs Committee on the proposed Arrangements Bill, which would cancel the "parallel tax" and bring in government accountants to supervise the functioning of the four health funds. "One can't reach a balance without symmetry between income and expenses," said Barabash. Without such balance, he said, the system will speed towards economic chaos, and the first victims will be the waiting lists for medical procedures. The solution lies in increased efficiency, supervision of health-fund expenses, and funding arrangements for the insurers, he said. The ministry will not cooperate with efficiency efforts that do not deal with the fundamental financing problems of the health system, Barabash said. The problem with the health system is not the Arrangements Bill, he said, but the fundamental under-funding of health services. Representatives of the health funds were unanimously against the Arrangements Bill, arguing it would reduce the amount of funds available for health services, beyond those brought in as health taxes through the National Insurance Institute. Economists note the parallel tax is, effectively, a fiction and that the government really pays a share of the worker's healthcare costs, instead. Due to this criticism, the Treasury now wants to cancel the so-called tax and increase employers' NII payments on behalf of workers. But it will mean less money to cover health services, even if the health system will be partially compensated. Committee Chairman MK Maxim Levy said, "we hope the government will sober up and cancel the Arrangements Bill immediately. A correct distribution of the burden can bring about the saving of NIS 9b. without hurting the middle class and turning them into the disadvantaged. The finance minister has begun to realize that he'll have trouble within his party getting the law through." The Israel Medical Association, representing over 12,000 physicians, has come out strongly against the bill, arguing it would intensify the deficits, while nationalizing the health funds. The Health Ministry would receive major powers under the law, including the appointment of health-fund staffers and setting their constitutions, the IMA said.

Japan trade surplus rises for first time in two years

TOKYO (Reuters) - Japan's trade surplus confounded expectations and rose last month for the first time in two years, a development economists said was likely to boost the yen against the dollar. The surplus with the United States, often a source of trade friction, surged 31.2% in November from a year earlier to 378.39b. yen (\$3.31b.). A fall in the value of the yen from last year's record highs has steadily put the brakes on the progressive fall in Japan's trade surplus, but economists had not been expecting to see an actual rise so soon. Car exports, especially to the US, are rising due to the increased competitiveness of Japanese products abroad following the weakening of the yen. A fall in the yen makes Japanese products cheaper in terms of foreign currency. A Finance Ministry official said the major reason for the rise in the trade surplus with the United States was a 45.7% surge in car exports to the United States, with a fall in imports of aircraft also contributing to the increase in the overall surplus. But the official said the general trend in the trade surplus remained downward. Some economists, however, said the sudden reversal heralded a possible return of trade friction with the United States and a shift in US authorities stance in favor of a strong dollar. "The US government will start applying some pressure on the Japanese...so the yen's basic trend will be stronger than the current level, that means, maybe below 110 yen," said Masaru Takagi of Fuji Research Institute. Jerram said US car-makers were becoming nervous about a loss of competitiveness. "At the moment there doesn't seem to be any great pressure [for the United States] to take out a big stick and beat Japan on trade, but if the surplus keeps on going up, I'm sure in the New Year you will see a more aggressive stance," he said "I think the crucial thing [for currency levels] is what's going to happen to the direction of the Japanese surplus and what is going to happen in the US if and when interest rates increase...I would have thought the yen will turn around in the middle of the next calendar year," he said.

BUSINESS BRIEFS

Polgat gets orders from Pacific, South America: Polgat has received orders to export woolen material to leading wool manufacturers in Australia, New Zealand, South Africa, South America and Japan. The company announced the orders for its Easy Flex product, a material exclusively developed by Polgat. The material is already sold to the European and US markets. Polgat forecasts exports of Easy Flex material will reach \$30 million in 1997 compared with exports of \$24m. in 1996 and \$18m. in 1995. Galit Lipkis Beck

Former markets regulator named to head Eyal Securities: Meir Shavit, former supervisor of the capital markets, insurance and savings at the Ministry of Finance, was appointed chairman of Eyal Securities. Eyal is a public company with a customer portfolio of about NIS 1 billion. The company's major shareholders include Harel Hamishmar Investments, which controls 80 percent of the stock and Tom Holdings, which controls 17% of the shares. Galit Lipkis Beck

Sharansky: Investment aid funds nearly used up

EVELYN GORDON THE Industry and Trade Ministry's 1997 budget for capital-investment grants is nearly all committed to projects approved in previous years, leaving little money for new schemes, Industry Minister Natan Sharansky told the Knesset Finance Committee yesterday. Sharansky said the Investment Center, which allocates capital-investment grants, accounts for more than half of the ministry's total budget - NIS 1.9 billion of a total NIS 3.3b. However, Sharansky said, almost all this money is committed already. Some of the major recipients are Intel, which is slated to receive the first of 10 annual payments of NIS 200m. this year, and the Dead Sea magnesium works. One of the ministry's major goals for next year is to begin transition from capital-investment grants toward alternate forms of investment aid included in the Gabbai Report, which was unveiled Tuesday. The report recommended grants for training programs, marketing, and research and development. These forms of aid are expected to reach a total NIS 510m. a year in three years. Research and development tops the ministry's priorities, Sharansky said. The chief scientist's office, which allocates the ministry's R&D money, has a cash budget of NIS 1.05b. in 1997, and may commit to as much as NIS 1.2b. in additional funds. However, chief scientist Dr. Yehoshua Gleitman, who is also the ministry's acting director-general, said the sum falls NIS 300m. short of the economy's real needs.

El Al denies plans to fire top brass

HAIM SHAPIRO EL Al yesterday denied that there is to be a purge of senior management staff to cut costs in the light of the company's predicted \$100 million loss for 1996. Company spokesman Nachman Kleiman said it was true that El Al's new director-general, Yoel Feldschuh, had convened middle and senior company officials at a meeting yesterday, but Kleiman insisted that Feldschuh was merely continuing a custom initiated by former company director Rafi Harlev, to periodically appraise the employees of the company's situation. Kleiman said Feldschuh told the staff that the company must be privatized as soon as possible, despite the fact that it will be finishing the 1996 fiscal year with a loss of some \$100 million. "Privately owned airlines make money and government-owned airlines lose money," Kleiman quoted Feldschuh as saying. In an effort to improve its situation, El Al has recently taken on two outside consultants: Prof. Dov Peckelman, for marketing, and Moshe and Shoshana Neuman, to help upgrade the company's image. Peckelman has been asked to reorganize the marketing department, as well as determine new marketing strategies. An internal El Al committee has been set up to implement the recommendations. The Neumans have worked in Israel and abroad in both the commercial and political sectors.

Four companies seek to raise \$20m. on London's AIM

GALIT LIPKIS BECK INDUSTRIAL Development Bank yesterday said it intends to raise \$20 million for four Israeli high-tech companies on London's Alternative Investment Market (AIM). The bank said the companies were established three years ago. AIM, which allows for the listing of small companies' securities, has attracted several Israeli firms over the last year. Analysts say the burgeoning market is attractive, because its entry terms are not as stringent as those on Wall Street's Nasdaq over-the-counter exchange. Several local companies have recently raised capital on the AIM, including G.O. Interactive Media of Givatayim, which raised \$19m. SEA raised (\$3.3m.) and Selector raised (about \$4.6m.)

ISRAELI MONEY MARKETS. Patah (foreign currency deposit rates) (11.9.96). Currency (deposit term) 3 MONTHS 6 MONTHS 12 MONTHS. U.S. dollar (\$250,000) 4.750 5.000 5.375. Pound sterling (£100,000) 3.475 4.000 4.250. German mark (DM 200,000) 1.825 1.825 2.125. Swiss franc (SF 200,000) 0.825 0.750 1.000. Yen (10 million yen) ... Shekel Foreign Exchange Rates* (18.12.96). CHECKS AND TRANSFERS. Currency basket Buy Sell. U.S. dollar 3.8517 3.8903. German mark 2.0833 2.1291. Pound sterling 5.4882 5.5229. French franc 0.8202 0.8303. Japanese yen (100) 2.8617 2.9079. Dutch florin 1.8670 1.8972. Swiss franc 2.4485 2.4891. Swedish krona 0.4751 0.4828. Norwegian krona 0.6030 0.6112. Danish krone 0.5479 0.5598. Finnish mark 0.7016 0.7128. Canadian dollar 2.3804 2.4128. Australian dollar 2.5710 2.6125. S. African rand 1.0167 1.0331. Belgian franc (10) 2.1248 2.1891. Austrian schilling (10) 2.9777 3.0258. Italian lira (1000) 2.1248 2.1891. Jordanian dinar 0.6230 0.6300. Egyptian pound 4.0381 4.1012. Irish punt 5.4085 5.4958. Spanish peseta (100) 2.4882 2.5284.

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TASE shares recover from early losses

TEL AVIV STOCK MARKET

DAN GERSTENFELD



Two-Sided Index Maof Index

SHARES closed slightly higher yesterday, recovering from early losses, after a rise in medium-capitalization stocks, dealers said.

The benchmark Two-sided index of the top 100 shares rose 0.11 percent, or 0.22 points, to 203.26 on all-share turnover of NIS 72 million against NIS 69m. Tuesday.

The Maof 25 blue chip index gained 0.20% to 211.81. The session opened with a mild decline and the indices fell by 0.4%. By midday the trend changed and the market recovered.

The big institutional investors are trying to prevent the market from falling by buying shares, said Michael Weiss of Evergreen Capital Markets, who said most of the activity was concentrated in the medium-capitalization stocks.

Eurobourses put aside concerns on US gains

WORLD MARKET ROUNDUP

LONDON (Reuters) - European bourses made progress yesterday, putting aside their worries over future prospects for now because of strength in the US market.

Strength in US shares, particularly of computer giant IBM and other recently shaky high technology stocks, provided support.

Share trading in London, Europe's busiest stock market, was spiced with a little takeover bid speculation after news of an agreed £1.27 billion (NIS 6.5b.) bid by US group Bantery for London Electricity.

The FTSE 100 index of key British shares gained 38.6 points to 4,018.2, topping 4,000 for the first time in five days.

London shares shrugged off news that British November unemployment

ment fell 95,800 to 1.93 million and retail sales rose 0.7% rather than a forecast 0.5% - strong data that spurred fears of higher interest rates.

French shares held on to their gains to close higher, aided by strength on Wall Street, and traders were moderately optimistic about further gains.

The CAC-40 share index finished up 25.19 at 2,218.89. German stocks ended bourse dealings with modest gains, also encouraged by Wall Street, a firm dollar - good news for exporters - and weaker-than-expected German money supply data.

The 30-share DAX ended floor trading up 5.62 at 2,820.75 but slipped to 2,814.23 in later electronic business.

Dow up as tech stocks recover WALL STREET REPORT

NEW YORK (AP) - Stocks rose for the second day in a row yesterday, despite lower bond prices, as investors continued to make year-end adjustments to their portfolios.

The Dow Jones industrial average gained 38.44 at 6,346.77. The Dow opened higher and climbed

steadily all day in quiet, orderly trading, a reverse of the past several days of high volatility.

The Standard and Poor's 500-stock index rose 5.50 to 731.54, and the NYSE's composite index rose 2.40 to 385.17. The Nasdaq composite rose 19.03 to 1,285.33.

CURRENCY CROSS-RATES

Table with columns: MARK, STERLING, YEN, SFR, FFY. Rows include various currency rates.

TRUST

(Continued from Page 1)

relations between the two countries would continue as usual.

Meanwhile, United Press International Jerusalem bureau chief Paul Shindman said yesterday that the attribution of the incorrect Bar-Ilan quote to UPI was based on a comedy of errors.

Shindman told The Post that UPI interviewed Bar-Ilan on Tuesday and accurately translated from Hebrew into English his statement that President Clinton's description of settlements as "obstacles to peace" was a "semantic escalation."

"The UPI story went out all over the world that way," said Shindman.

UPI's name got involved in the misunderstanding only because Ha'aretz diplomatic reporter Alroez Ben attributed Bar-Ilan's comment to "UPI."

"It definitely did not come from us," said Shindman.

Dan Tzoref, Lia Collins, and Sue Fishkoff contributed to this report.

PERU

(Continued from Page 1)

Twenty-three rebels entered the compound at the start of the reception honoring Japanese Emperor Akihito's birthday.

"I heard a loud explosion, then gunfire," said Mikiro Torii, who was among those released. "We were told to get down and not move. There was a lot of yelling."

BBC correspondent Sally Bowen said in a report after her release that she had been eating and drinking in an elegant marquee on the lawn when the explosions occurred.

TEL AVIV STOCKS

Large table of stock prices categorized by Multi-sided trading and Two-sided trading, including Commercial, Banks, Industrials, Mortgage Banks & Finance, Financial Institutions, Insurance, Trade & Services, and Paralel List.

Key Representative Rates: US Dollar, Sterling, Mark.

New York market indexes: DJ Industrials, DJ 30, NYSE, etc.

Other stock market indexes: FTSE 100, Nikkei, etc.

Israeli stocks in US: AMEX, NYSE, etc.

Foreign financial data courtesy of CommStock Trading Ltd.

Money Markets: Dollar crossrates (US).

Labor rates: Dollar, Sheqel, etc.

US commodities: Cotton, Sugar, etc.

London commodities: Cotton, etc.

Spot market metals (US): Gold, Silver, etc.

New York metal futures: Gold, Silver, etc.

London metal futures: Gold, Silver, etc.

ISRAEL DISCOUNT BANK logo and text.

INTERNATIONAL STOCK PRICES

Table of international stock prices for various countries including New York, London, Frankfurt, and others.

